

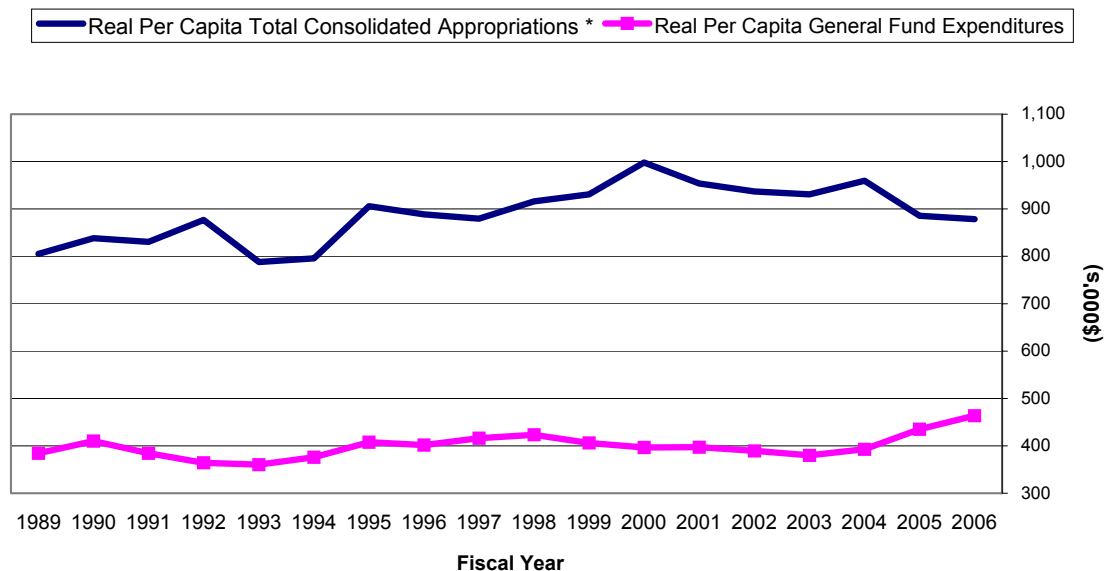
HISTORICAL PERSPECTIVE OF CITY APPROPRIATIONS

As a rule of thumb, a government's spending must keep up with increases in cost (inflation) and increases in the population to maintain the level of city services. Growth in total citywide appropriations had substantially exceeded this benchmark. However, the growth in GF expenditures has barely kept pace. In FY/05 and FY/06 the addition of the quarter cent public safety tax, allows for an increase of city services as the expenditure growth exceeds the inflation rate and population growth.

For the period FY/88 to FY/06 inflation, as measured by the Consumer Price Index, increased 80.64%, for an average of 3.0% a year. In the same period of time, population within the City of Albuquerque increased by 24.7%, for an annual average of 1.4%. The following chart plots real per capita (adjusted for inflation and population growth) appropriations and expenditures.

Real consolidated total appropriations include appropriations from all funds (general, enterprise, special revenue, debt service and internal service) after interfund eliminations. Real per capita consolidated total appropriations increased 15.7% from FY/88 to FY/06 for an average annual growth rate of 0.7%. The increase is limited again due to the exclusion of the Water Authority in FY/05. General Fund real per capita expenditures showed only a slight increase of 20.0% over the entire period FY/88 to FY/05. On an annual basis, this is growth of only 0.92% per year, indicating that General Fund expenses increased only slightly faster than population plus inflation. The bulk of this gain was picked up in FY/04 with a shift of one-mil in property tax to the general fund and in FY/05 with the introduction of the quarter cent tax for public safety.

Real Per Capita Total Consolidated Appropriations and General Fund Expenditures



* Consolidated appropriations are appropriations from all funds after interfund eliminations
2005 represents estimated actual, 2006 the approved budget.